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FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC 7809
INFO USDOC WASHDC 3116
AMEMBASSY ADDIS ABABA
AMEMBASSY ASMARA
AMEMBASSY BUJUMBURA
AMEMBASSY CAIRO
AMEMBASSY DAR ES SALAAM
AMEMBASSY DJIBOUTI
AMEMBASSY KAMPALA
AMEMBASSY KHARTOUM
AMEMBASSY KIGALI
AMEMBASSY LONDON
AMEMBASSY PARIS
USMISSION UNVIE VIENNA

UNCLAS NAIROBI 002716

STATE FOR T MARC HUMPHREY, EEB/ESC/IEC, EEB/ESC/ENR, OES/SAT,
OES/ENV, AF/E, AND AF/EP5

COMMERCE FOR SARAH LOPP AND BECKY ERKUL

LONDON AND PARIS FOR AFRICA WATCHERS AND REOS

E.O. 12958: N/A

TAGS: [ENRG](#) [TRGY](#) [EINV](#) [SENV](#) [BEXP](#) [BTIO](#) [KE](#)

SUBJECT: KENYA ASPIRES TO BUILD A NUCLEAR PLANT BY 2015

REFS: (A) STATE 127423 (B) NAIROBI 2381 AND PREVIOUS

¶1. As reported in ref B, although it has no known fissionable material, Kenya aspires to build its first medium-sized 1,000 MW nuclear plant by 2015 as part of a multifaceted strategy to boost power production. The Government of Kenya (GOK) will appeal to the private sector to finance the plant's estimated \$1 billion price-tag. According to a Ministry of Energy (MOE) prospectus, "Investment Opportunities in the Energy Sector," released in early October before a three-day national energy conference, the government will offer potential investors a 30-year power purchase agreement on a build-own-operate-transfer (BOOT) arrangement. Private British investors are reportedly considering helping Kenya build this facility. Possible construction sites have already been identified in the Rift Valley, Nyanza Province near Lake Victoria, and Coast Province to serve Mombasa.

¶2. Since mid-summer 2008, US Mission Nairobi officers from both State and Commerce have held a series of meetings and roundtables with Ministry of Energy Permanent Secretary Patrick Nyoike and senior representatives of the Kenya Electricity Generating Company (Kengen), among them, Managing Director Eddy Njoroge and Director of Business Development Albert Mugo, the Kenya Power and Lighting Company (KPLC), including its Chief Manager for Planning David Mwangi, and independent power producers. Judging from these meetings and the MOE prospectus, the nuclear option is among the least likely of a number of power generation possibilities available to Kenya. Development of the country's rich geothermal resources, now estimated at a potential 7,000 MW, remains the government's preferred option.

¶3. Should the nuclear plant come on line, we expect that the Ministry of Energy (rather than a new government agency) will oversee its operations.

RANNEBERGER